

STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
PUBLIC UTILITIES COMMISSION

IN RE: NARRAGANSETT ELECTRIC COMPANY
ANNUAL RECONCILIATION OF STANDARD
OFFER RATE, TRANSITION CHARGE AND
TRANSMISSION ADJUSTMENT PROVISIONS

DOCKET NO. 3479

NOTICE OF PUBLIC HEARING

Pursuant to the provisions of Sections 39-1-1, 39-1-11 and 39-3-11 of the General Laws, as amended, the Public Utilities Commission ("Commission") will conduct a hearing on **Wednesday, December 11, 2002 at 10:00 AM** in the first-floor hearing room of the Public Utilities Commission, 89 Jefferson Boulevard, Warwick, Rhode Island. The hearing may continue thereafter from day to day and time to time as required.

In this docket, the Commission will consider the propriety of a filing by the Narragansett Electric Company ("Company") seeking approval of its Non-bypassable Transition Charge Adjustment, its Standard Offer Adjustment, and Transmission Service Cost Adjustment rates for January 1, 2003. The company has filed reconciliations for the twelve months ended September 30, 2002 for its Non-bypassable Transition Charge Adjustment, its Standard Offer Adjustment, and Transmission Service Cost Adjustment. The company has also estimated its annual costs for each of these adjustment provisions for the year starting January 1, 2003.

The company's proposed filing would result in an increase of \$0.60 per month, or 1.1%, to the total bill of a typical residential customer using 500 kWh per month. This monthly bill would increase from \$54.24 to \$54.84. The Commission may approve different rates that may be higher or lower than those proposed by Narragansett. In the filing the company proposed the following specific changes:

- To increase the Non-bypassable Transition Charge from its present level of 0.874¢ per kWh to 0.944¢ per kWh, an increase of 0.07¢ per kWh.
- To increase the Transmission Adjustment Factor from 0.063¢ per kWh to 0.107¢ per kWh, an increase of 0.044¢ per kWh.

The company is not proposing any change to its Standard Offer Adjustment rate. In Docket 3402, the Commission approved a Standard Offer rate of 4.662¢ per kWh that was designed to be the same for the three-year period from January 1, 2002 through December 31, 2004. The rate could increase for possible fuel index payments. The company is asking approval to retain a \$20 million payment received last year to be used to offset fuel index payments it has begun to incur. This payment is maintained in an interest-bearing account for the benefit of ratepayers, and it will approximate \$21.2 million at December 31, 2002.

The filing is on file for examination at the Commission's office and at the office of the Narragansett Electric Company, 280 Melrose Street, Providence, Rhode Island. The filing can also be viewed on line at www.ripuc.org/docket.html.

Reference is made to Chapters 39-1, 39-3 and 42-35 of the Rhode Island General Laws; specifically Sections 39-1-7, 39-1-8, 39-1-11, 39-1-12, 39-1-18, 39-1-20, 42-35-8 and 42-35-10.

THE PUBLIC UTILITIES COMMISSION IS ACCESSIBLE TO THE HANDICAPPED. INDIVIDUALS REQUESTING INTERPRETER SERVICES FOR THE HEARING AND SPEECH IMPAIRED MUST NOTIFY THE COMMISSION CLERK'S OFFICE AT 941-4500 SEVENTY-TWO HOURS IN ADVANCE OF HEARING DATE.

Luly E. Massaro
Commission Clerk
December 1, 2002